

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

SENATE ENROLLED ACT No. 290

AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 20-8.1-6.1-8, AS AMENDED BY SEA 216-2002, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) As used in this section, the following terms have the following meanings:

(1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, vocational training, or career education.

(2) "ADM" means the following:

(A) For purposes of allocating to a transfer student state distributions under IC 21-1-30 (primetime), "ADM" as computed under IC 21-1-30-2.

(B) For all other purposes, "ADM" as set forth in IC 21-3-1.6-1.1.

(3) "Pupil enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the Indiana state board of education.

(B) The total number of students enrolled in a class of school



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in a transferee school corporation on a date determined by the Indiana state board of education.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) a student.

(4) "Special equipment" means equipment that during a school year:

- (A) is used only when a child with disabilities is attending school;
- (B) is not used to transport a child to or from a place where the child is attending school;
- (C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized instruction program for the child; and
- (D) is not used for or by any child who is not a child with disabilities.

The Indiana state board of education may select a different date for counts under subdivision (3). However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 3 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) The following state distributions that are computed in any part using ADM or other pupil count in which the student is included:

- (i) Primetime grant under IC 21-1-30.
- (ii) Tuition support for basic programs and at-risk weights under IC 21-3-1.7-8 (before January 1, 1996) and only for basic programs (after December 31, 1995).
- (iii) Enrollment growth grant under IC 21-3-1.7-9.5.



- (iv) At-risk grant under IC 21-3-1.7-9.7.
- (v) Academic honors diploma award under IC 21-3-1.7-9.8.
- (vi) Vocational education grant under ~~IC 21-3-1.8-3.~~
IC 21-3-12.

(vii) Special education grant under IC 21-3-2.1.

~~(vii)~~ **(viii)** The portion of the ADA flat grant that is available for the payment of general operating expenses under IC 21-3-4.5-2(b)(1).

(B) For school years beginning after June 30, 1997, property tax levies.

(C) For school years beginning after June 30, 1997, excise tax revenue (as defined in IC 21-3-1.7-2) received for deposit in the calendar year in which the school year begins.

(D) For school years beginning after June 30, 1997, allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

- (A) zero (0); or
- (B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall charge the county office of the county of the student's legal settlement under IC 12-19-7 for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

- (1) capital outlay;
- (2) debt service;
- (3) costs of transportation;
- (4) salaries of board members;
- (5) contracted service for legal expenses; and
- (6) any expenditure which is made out of the general fund from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

- (1) the cost of the special equipment; divided by



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(2) the product of:

(A) the useful life of the special equipment, as determined under the rules adopted by the Indiana state board of education; multiplied by

(B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the pupil enrollment of each class in the transferee corporation compared to the total pupil enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

(1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by

(2) the pupil enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of pupil attendance, the transfer tuition shall be calculated by the portion of the school year for which the transferred student is enrolled. A school year of pupil attendance consists of the number of days school is in session for pupil attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. Where an agreement cannot be reached, the amount shall be determined by the Indiana state board of education, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

(1) the total amount of revenues received; by

(2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state distributions under IC 21-1-30, **IC 21-3-2.1**, **IC 21-3-12**, or any other statute that computes the amount of a state distribution using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by

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dividing the revenues that the transferee school is eligible to receive in a calendar year by the pupil count used to compute the state distribution.

(h) In lieu of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. This contract is for a maximum period of five (5) years with an option to renew, and may specify a maximum number of pupils to be transferred and fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 9 of this chapter.

(i) If the school corporation can meet the requirements of IC 21-1-30-5, it may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may be for one (1) year or longer and may fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 9 of this chapter. A school corporation may not transfer a student under this section without the prior approval of the child's parent or guardian.

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 6-1.1-19-5.1, the school corporation may appeal for an excessive levy as provided under IC 6-1.1-19-5.1.

SECTION 2. IC 20-10.1-28-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. Upon review of the applications received under section 5 of this chapter and receipt of the recommendations from the advisory committee under section 10 of this chapter, the department may award grants to school corporations subject to available money and in accordance with the following priorities:

- (1) To the extent possible, to achieve geographic balance throughout Indiana and to include urban, suburban, and rural school corporations.
- (2) To address a documented need for new or expanded school intervention or career counseling programs, including considering the percentage of students within the school corporation who are designated as at-risk students. ~~under IC 21-3-1-8-1.1.~~
- (3) To promote innovative methods for initiating or expanding school intervention or career counseling programs.
- (4) To reward school corporations that propose school intervention or career counseling programs that demonstrate the



greatest potential for replication and implementation in Indiana.

(5) To lower school counselor/student ratios where the ratios are excessively high.

SECTION 3. IC 20-10.1-31-6, AS ADDED BY P.L.237-2001, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. Upon review of the applications received under section 5 of this chapter, the department may award grants to school corporations subject to available money and in accordance with the following priorities:

(1) To the extent possible, to achieve geographic balance throughout Indiana and to include urban, suburban, and rural school corporations.

(2) To address a documented need for new or expanded programs, including consideration of the percentage of students within the school corporation who are designated as at-risk students. ~~under IC 21-3-1.8-1.1.~~

(3) To lower:

(A) student/school counselor ratios;

(B) student/social worker ratios; and

(C) student/school psychologist ratios;

where the ratios are excessively high.

SECTION 4. IC 20-11-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "eligible student" means:

(1) a student who is:

(A) enrolled in a public high school as a senior;

(B) at risk of withdrawing from school before graduation; and

(C) at risk under the criteria for determining at-risk students under ~~IC 21-3-1.8-1.1~~; IC 21-3-1.6-1.1; or

(2) a student who is enrolled in the final year of a special education program.

SECTION 5. IC 21-1-30-2, AS AMENDED BY P.L.291-2001, SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. For purposes of computation under this chapter, the following shall be used:

(1) Kindergarten pupils shall be counted as five-tenths (0.5). All other pupils shall be counted as one (1).

(2) The number of pupils shall be the number of pupils used in determining ADM, as defined by IC 21-3-1.6, for the current year.

(3) The staff cost amount for a school corporation is sixty-eight thousand four hundred forty-two dollars (\$68,442) for 2002 and sixty-nine thousand eight hundred eleven dollars (\$69,811) for

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(4) The guaranteed amount for a school corporation is the primetime allocation, before any penalty is assessed under this chapter, that the school corporation would have received under this chapter for the 1999 calendar year.

(5) The at-risk index is the index determined under ~~IC 21-3-1.8-1.1~~ **IC 21-3-1.6-1.1**.

(6) The following apply to determine whether amounts received under this chapter have been devoted to reducing class size in kindergarten through grade 3 as required by section 3(b) of this chapter:

(A) Except as permitted under section 5.5 of this chapter, only a licensed teacher who is an actual classroom teacher in a regular instructional program is counted as a teacher.

(B) If a school corporation is granted approval under section 5.5 of this chapter, the school corporation may include as one-third (1/3) of a teacher each classroom instructional aide who meets qualifications and performs duties prescribed by the Indiana state board of education.

SECTION 6. IC 21-3-1.6-1.1, AS AMENDED BY SEA 357, SECTION 450, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.1. As used in this chapter:

(a) "School corporation" means any local public school corporation established under Indiana law.

(b) "School year" means a year beginning July 1 and ending the next succeeding June 30.

(c) "State distribution" due a school corporation means the amount of state funds to be distributed to a school corporation in any calendar year under this chapter.

(d) "Average daily membership" or "ADM" of a school corporation means the number of eligible pupils enrolled in the school corporation or in a transferee corporation on a day to be fixed annually by the Indiana state board of education. Such day shall fall within the first thirty (30) days of the school term. If, however, extreme patterns of student in-migration, illness, natural disaster, or other unusual conditions in a particular school corporation's enrollment on the particular day thus fixed, cause the enrollment to be unrepresentative of the school corporation's enrollment throughout a school year, the Indiana state board of education may designate another day for determining the school corporation's enrollment. The Indiana state board of education shall monitor changes that occur after the fall count, in the number of students enrolled in programs for children with

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disabilities and shall, before December 2 of that same year, make an adjusted count of students enrolled in programs for children with disabilities. The superintendent of public instruction shall certify the adjusted count to the budget committee before February 5 of the following year. In determining the ADM, each kindergarten pupil shall be counted as one-half (1/2) pupil. Where a school corporation commences kindergarten in a school year, the ADM of the current and prior calendar years shall be adjusted to reflect the enrollment of the kindergarten pupils. In determining the ADM, each pupil enrolled in a public school and a nonpublic school is to be counted on a full-time equivalency basis as provided in section 1.2 of this chapter. "Current ADM" of a school corporation used in computing its state distribution in a calendar year means the ADM of the school year ending in the calendar year. "ADM of the previous year" or "ADM of the prior year" of a school corporation used in computing its state distribution in a calendar year means the ADM of the school corporation for the school year ending in the preceding calendar year.

(e) "Additional count" of a school corporation, or comparable language, means the aggregate of the additional counts of the school corporation for certain pupils as set out in section 3 of this chapter (repealed) and as determined at the times for calculating ADM. "Current additional count" means the additional count of the school corporation for the school year ending in the calendar year. "Prior year additional count" of a school corporation used in computing its state distribution in a calendar year means the additional count of the school corporation for the school year ending in the preceding calendar year.

(f) "Adjusted assessed valuation" of any school corporation used in computing state distribution for a calendar year means the assessed valuation in the school corporation, adjusted as provided in IC 6-1.1-34. The amount of the valuation shall also be adjusted downward by the department of local government finance to the extent it consists of real or personal property owned by a railroad or other corporation under the jurisdiction of a federal court under the federal bankruptcy laws (11 U.S.C. 101 et seq.) if as a result of the corporation being involved in a bankruptcy proceeding the corporation is delinquent in payment of its Indiana real and personal property taxes for the year to which the valuation applies. If the railroad or other corporation in some subsequent calendar year makes payment of the delinquent taxes, then the state superintendent of public instruction shall prescribe adjustments in the distributions of state funds pursuant to this chapter as are thereafter to become due to a school corporation affected by the delinquency as will ensure that the school corporation

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will not have been unjustly enriched under the provisions of P.L.382-1987(ss). The amount of the valuation shall also be adjusted downward by the department of local government finance to the extent it consists of real or personal property described in IC 6-1.1-17-0.5(b).

(g) "General fund" means a school corporation fund established under IC 21-2-11-2.

(h) "Teacher" means every person who is required as a condition of employment by a school corporation to hold a teacher's license issued or recognized by the state, except substitutes and any person paid entirely from federal funds.

(i) "Teacher ratio" of a school corporation used in computing state distribution in any calendar year means the ratio assigned to the school corporation pursuant to section 2 of this chapter.

(j) "Eligible pupil" means a pupil enrolled in a school corporation if:

- (1) the school corporation has the responsibility to educate the pupil in its public schools without the payment of tuition;
- (2) subject to subdivision (5), the school corporation has the responsibility to pay transfer tuition under IC 20-8.1-6.1, because the pupil is transferred for education to another school corporation (the "transferee corporation");
- (3) the pupil is enrolled in a school corporation as a transfer student under IC 20-8.1-6.1-3 or entitled to be counted for ADM or additional count purposes as a resident of the school corporation when attending its schools under any other applicable law or regulation;
- (4) the state is responsible for the payment of transfer tuition to the school corporation for the pupil under IC 20-8.1-6.1; or
- (5) all of the following apply:
 - (A) The school corporation is a transferee corporation.
 - (B) The pupil does not qualify as a qualified pupil in the transferee corporation under subdivision (3) or (4).
 - (C) The transferee corporation's attendance area includes a state licensed private or public health care facility, child care facility, or foster family home where the pupil was placed:
 - (i) by or with the consent of the division of family and children;
 - (ii) by a court order;
 - (iii) by a child placing agency licensed by the division of family and children; or
 - (iv) by a parent or guardian under IC 20-8.1-6.1-5.

(k) "General fund budget" of a school corporation means the amount

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of the budget approved for a given year by the department of local government finance and used by the department of local government finance in certifying a school corporation's general fund tax levy and tax rate for the school corporation's general fund as provided for in IC 21-2-11.

(l) "At risk index" means the sum of:

- (1) the product of sixteen-hundredths (0.16) multiplied by the percentage of families in the school corporation with children who are less than eighteen (18) years of age and who have a family income below the federal income poverty level (as defined in IC 12-15-2-1);
- (2) the product of four-tenths (0.4) multiplied by the percentage of families in the school corporation with a single parent; and
- (3) the product of forty-four hundredths (0.44) multiplied by the percentage of the population in the school corporation who are at least twenty (20) years of age with less than a twelfth grade education.

The data to be used in making the calculations under this subsection must be the data from the 1990 federal decennial census.

SECTION 7. IC 21-3-1.7-6.7, AS AMENDED BY P.L.291-2001, SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.7. (a) For each school corporation, the index used in subsection (b) is determined under the following STEPS:

STEP ONE: Determine the greater of zero (0) or the result of the following:

- (1) Multiply the school corporation's at risk index ~~determined under IC 21-3-1.8-1.1~~ by twenty-three hundredths (0.23) in 2002 and twenty-five hundredths (0.25) in 2003.
- (2) Divide the result under subdivision (1) by three thousand seven hundred thirty-six ten-thousandths (0.3736).
- (3) Subtract three hundred sixty-four ten-thousandths (0.0364) in 2002 and three hundred ninety-five ten-thousandths (0.0395) in 2003 from the result under subdivision (2).

STEP TWO: Determine the greater of zero (0) or the result of the following:

- (1) Multiply the percentage of the school corporation's students who were eligible for free lunches in the school year ending in 2001 by twenty-three hundredths (0.23) in 2002 and twenty-five hundredths (0.25) in 2003.
- (2) Divide the result under subdivision (1) by seven hundred



twenty-three thousandths (0.723).

STEP THREE: Determine the greater of zero (0) or the result of the following:

- (1) Multiply the percentage of the school corporation's students who were classified as limited English proficient in the school year ending in 2000 by twenty-three hundredths (0.23) in 2002 and twenty-five hundredths (0.25) in 2003.
- (2) Divide the result under subdivision (1) by one thousand seven hundred fifteen ten-thousandths (0.1715).

STEP FOUR: Determine the result of:

- (1) the sum of the results in STEPS ONE through THREE; divided by
- (2) three (3).

STEP FIVE: Determine the result of one (1) plus the STEP FOUR result.

(b) A school corporation's target revenue per ADM for a calendar year is the result determined under STEP SIX of the following formula:

STEP ONE: Determine the result under clause (B) of the following formula:

(A) Determine the result of:

- (i) four thousand four hundred forty dollars (\$4,440) in 2002 and four thousand five hundred sixty dollars (\$4,560) in 2003; multiplied by
- (ii) the index determined for the school corporation under subsection (a).

(B) Multiply the clause (A) result by the school corporation's adjusted ADM for the current year.

STEP TWO: Divide the school corporation's previous year revenue by the school corporation's adjusted ADM for the previous year.

STEP THREE: Multiply the subsection (a) STEP FIVE result by the following:

(A) If the STEP TWO result is not more than:

- (i) four thousand four hundred forty dollars (\$4,440) in 2002; and
- (ii) four thousand five hundred sixty dollars (\$4,560) in 2003;

multiply by ninety dollars (\$90).

(B) If the STEP TWO result is:

- (i) more than four thousand four hundred forty dollars (\$4,440) and not more than five thousand five hundred twenty-five dollars (\$5,525) in 2002; or

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(ii) more than four thousand five hundred sixty dollars (\$4,560) and not more than five thousand eight hundred twenty-five dollars (\$5,825) in 2003;
multiply by the result under clause (C).

(C) Determine the result of:

(i) The STEP TWO result minus four thousand four hundred forty dollars (\$4,440) in 2002 and four thousand five hundred sixty dollars (\$4,560) in 2003.

(ii) Divide the item (i) result by one thousand eighty-five dollars (\$1,085) in 2002 and one thousand two hundred sixty-five dollars (\$1,265) in 2003.

(iii) Multiply the item (ii) result by forty dollars (\$40).

(iv) Subtract the item (iii) result from ninety dollars (\$90).

(D) If the STEP TWO result is more than:

(i) five thousand five hundred twenty-five dollars (\$5,525) in 2002; and

(ii) five thousand eight hundred twenty-five dollars (\$5,825) in 2003;

multiply by fifty dollars (\$50).

STEP FOUR: Add the STEP TWO result and the STEP THREE result.

STEP FIVE: Determine the greatest of the following:

(A) Multiply the STEP FOUR result by the school corporation's adjusted ADM for the current year.

(B) Multiply the school corporation's previous year revenue by one and two-hundredths (1.02).

(C) The STEP ONE amount.

STEP SIX: Divide the STEP FIVE amount by the school corporation's adjusted ADM for the current year.

SECTION 8. IC 21-3-1.7-9, AS AMENDED BY SEA 216-2002, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Subject to the amount appropriated by the general assembly for tuition support, the amount that a school corporation is entitled to receive in tuition support for a year is the amount determined in section 8 of this chapter.

(b) If the total amount to be distributed as tuition support under this chapter, for enrollment adjustment grants under section 9.5 of this chapter, for at-risk programs under section 9.7 of this chapter, for academic honors diploma awards under section 9.8 of this chapter, ~~and~~ for primetime distributions under IC 21-1-30, **for special education grants under IC 21-3-2.1, and for vocational education grants under IC 21-3-12** for a particular year, exceeds:

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- (1) three billion three hundred sixty-three million four hundred thousand dollars (\$3,363,400,000) in 2001;
- (2) three billion four hundred seventy-one million one hundred thousand dollars (\$3,471,100,000) in 2002; and
- (3) three billion five hundred ninety-four million two hundred thousand dollars (\$3,594,200,000) in 2003;

the amount to be distributed for tuition support under this chapter to each school corporation during each of the last six (6) months of the year shall be reduced by the same dollar amount per ADM (as adjusted by IC 21-3-1.6-1.1) so that the total reductions equal the amount of the excess.

SECTION 9. IC 21-3-2.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 2.1. Special Education Grants

Sec. 1. The definitions in IC 21-3-1.6 apply throughout this chapter.

Sec. 2. In addition to the amount a school corporation is entitled to receive in tuition support, each school corporation is entitled to receive a grant for special education programs. The amount of the special education grant is based on the count of eligible pupils enrolled in special education programs on December 1 of the preceding year in the corporation or in a transferee corporation.

Sec. 3. (a) In its nonduplicated count of pupils in programs for severe disabilities, a school corporation shall count each pupil served in any one (1) of the following programs:

- (1) Autism.
- (2) Dual sensory impairment.
- (3) Emotional handicap, full time.
- (4) Hearing impairment.
- (5) Severe mental handicap.
- (6) Multiple handicap.
- (7) Orthopedic impairment.
- (8) Traumatic brain injury.
- (9) Visual impairment.

(b) A pupil may be counted in only one (1) of the programs in this section even if the pupil is served in more than one (1) program.

(c) A pupil may not be included in the nonduplicated count in this section and in the nonduplicated count of pupils in programs for mild or moderate disabilities in section 4 of this chapter.

Sec. 4. (a) In its nonduplicated count of pupils in programs for

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mild and moderate disabilities, a school corporation shall count each pupil served in any one (1) of the following programs:

- (1) Emotional handicap, all other.
- (2) Learning disability.
- (3) Mild mental handicap.
- (4) Moderate mental handicap.
- (5) Other health impairment.

(b) A pupil may be counted in only one (1) of the programs in this section even if the pupil is served in more than one (1) program.

(c) A pupil may not be included in the nonduplicated count in this section and in the nonduplicated count of pupils in programs for severe disabilities in section 3 of this chapter.

Sec. 5. In its duplicated count of pupils in programs for communication disorders, a school corporation shall count each pupil served, even if the pupil is served in another special education program.

Sec. 6. (a) In its cumulative count of pupils in homebound programs, a school corporation shall count each pupil who received homebound instruction up to and including December 1 of the current year plus each pupil who received homebound instruction after December 1 of the prior school year.

(b) A school corporation may include a pupil in its cumulative count of pupils in homebound programs even if the pupil also is included in its nonduplicated count of pupils in programs for severe disabilities, its nonduplicated count of pupils in programs for mild and moderate disabilities, or its duplicated count of pupils in programs for communication disorders.

Sec. 7. The amount of the grant that a school corporation is entitled to receive for special education programs is equal to:

- (1) the nonduplicated count of pupils in programs for severe disabilities multiplied by:
 - (A) eight thousand forty-five dollars (\$8,045) in 2002; and
 - (B) eight thousand two hundred forty-six dollars (\$8,246) in 2003; plus
- (2) the nonduplicated count of pupils in programs of mild and moderate disabilities multiplied by:
 - (A) two thousand one hundred eighty-three dollars (\$2,183) in 2002; and
 - (B) two thousand two hundred thirty-eight dollars (\$2,238) in 2003; plus
- (3) the duplicated count of pupils in programs for

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communication disorders multiplied by:

(A) five hundred eighteen dollars (\$518) in 2002; and

(B) five hundred thirty-one dollars (\$531) in 2003; plus

(4) the cumulative count of pupils in homebound programs multiplied by:

(A) five hundred eighteen dollars (\$518) in 2002; and

(B) five hundred thirty-one dollars (\$531) in 2003.

Sec. 8. Participation in a program is not required to the extent of full-time equivalency. The Indiana state board of education shall adopt rules further defining the nature and extent of participation and the type of program qualifying for approval. No count shall be made on any program that has not been approved by the Indiana state board of education or where a pupil is not participating to the extent required by any rule of the board.

Sec. 9. If a new special education program is created by rule of the Indiana state board of education or by the United States Department of Education, the Indiana state board of education shall determine whether the program shall be included in the list of programs for severe disabilities or in the list of programs for mild and moderate disabilities.

Sec. 10. This chapter expires January 1, 2004.

SECTION 10. IC 21-3-11-8, AS AMENDED BY P.L.291-2001, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. (a) **Except as provided in subsection (b),** the department of education shall distribute a grant under this chapter to a qualifying school corporation ~~not later than~~ not later than March 1. The grant shall be for the number of full-time equivalent students enrolled in and attending an alternative education program from January 1 through December 31 of the immediately preceding year and reported to the department of education under section 7 of this chapter.

(b) Notwithstanding subsection (a), the department of education may authorize additional distributions for approved programs if the aggregate amount of the distributions to a school corporation during a school year under this subsection does not exceed a maximum amount of seven hundred fifty dollars (\$750) per full-time equivalent student reported under section 7 of this chapter.

SECTION 11. [EFFECTIVE UPON PASSAGE] (a) **As used in this SECTION, "director" refers to the director of the division of special education of the department of education.**

(b) The director shall coordinate a task force to review services



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and funding sources available for children and young adults with disabilities.

(c) The members of the task force established under subsection (b) are as follows:

- (1) The director or the director's designee, who shall serve as chairperson of the task force.
- (2) The secretary of the office of family and social services, or the secretary's designee.
- (3) The director of the division of family and children, or the director's designee.
- (4) The director of the division of mental health and addiction, or the director's designee.
- (5) The director of the division of disability, aging, and rehabilitative services, or the director's designee.
- (6) The administrator of the office of Medicaid policy and planning, or the administrator's designee.
- (7) The commissioner of the state department of health, or the commissioner's designee.
- (8) The deputy commissioner of the department of correction for juvenile services, or the deputy commissioner's designee.
- (9) A member of the house of representatives, appointed by the speaker of the house of representatives.
- (10) A member of the senate, appointed by the president pro tempore of the senate.
- (11) A representative of a community mental health center, appointed by the governor.
- (12) A representative of a local education agency, appointed by the state superintendent of public instruction.
- (13) A parent advocate, appointed by the governor.
- (14) A special education teacher, appointed by the governor.

(d) The task force established under subsection (b) shall study and identify methods to achieve the following goals:

- (1) Coordinating, integrating, and streamlining service delivery to children with disabilities and the families of children with disabilities.
- (2) Maximizing the use of available federal, state, and local fiscal resources to provide an array of services to children with disabilities and the families of children with disabilities.

(e) Before November 1, 2002, the task force established under subsection (b) shall submit a report to the executive director of the legislative services agency, the state superintendent of public instruction, the secretary of the office of family and social services,

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the commissioner of the state department of health, and the commissioner of the department of correction. The report must contain the following information:

- (1) Methods identified under subsection (d).
- (2) Suggested legislative changes to accomplish the goals set forth under subsection (d).
- (3) Suggested agency policy changes to accomplish the goals set forth under subsection (d).
- (4) Proposed local pilot programs to test the methods set forth under subdivision (1).

(f) This SECTION expires November 2, 2002.

SECTION 12. [EFFECTIVE UPON PASSAGE] Notwithstanding IC 21-3-1.8-6 and IC 21-3-10-11:

- (1) a school corporation is entitled to receive transfer tuition under IC 20-8.1, grants under IC 20-10.1-28, grants under IC 20-10.1-31, and distributions under IC 21; and
- (2) a person shall be treated as an eligible student under IC 20-11-5-2;

after December 31, 2002, and before the effective date of this SECTION as if IC 21-3-1.8-1.1 (at-risk index) and IC 21-3-10 (special education grants) had not expired on January 1, 2002. A distribution of money or a determination that a person is an eligible student in conformity with this SECTION is ratified and validated to the same extent as if this SECTION had been in effect at the time the distribution or determination was made.

SECTION 13. An emergency is declared for this act.

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President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Approved: _____

Governor of the State of Indiana

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